

# House Amendment 8126

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1 1 Amend House File 2555 as follows:  
1 2 #1. By striking page 3, line 31, through page 4,  
1 3 line 26.  
1 4 #2. Page 9, by inserting after line 4 the  
1 5 following:  
1 6 <Sec. \_\_\_\_\_. NEW SECTION. 507F.1 CONSUMER ADVOCATE  
1 7 ON INSURANCE == APPOINTMENT == POLITICAL ACTIVITY ==  
1 8 REMOVAL.  
1 9 1. The attorney general shall appoint a competent  
1 10 attorney to the office of consumer advocate on  
1 11 insurance. The appointment is subject to senate  
1 12 confirmation in accordance with section 2.32. The  
1 13 advocate's term of office is for four years. The term  
1 14 begins and ends as set forth in section 69.19.  
1 15 2. If a vacancy occurs in the office of consumer  
1 16 advocate on insurance, the vacancy shall be filled for  
1 17 the unexpired term in the same manner as an original  
1 18 appointment.  
1 19 3. The consumer advocate on insurance shall devote  
1 20 the advocate's entire time to the duties of the  
1 21 office. During the advocate's term of office the  
1 22 advocate shall not be a member of a political  
1 23 committee, shall not contribute to a political  
1 24 campaign fund other than through the income tax  
1 25 checkoff for contributions to the Iowa election  
1 26 campaign fund and the presidential election campaign  
1 27 fund, and shall not take part in political campaigns  
1 28 or be a candidate for a political office.  
1 29 4. The attorney general may remove the consumer  
1 30 advocate on insurance for malfeasance or nonfeasance  
1 31 in office, or for any cause which renders the advocate  
1 32 ineligible for appointment, or incapable or unfit to  
1 33 discharge the duties of the advocate's office. The  
1 34 advocate's removal, when so made, is final.  
1 35 Sec. \_\_\_\_\_. NEW SECTION. 507F.2 DUTIES.  
1 36 The office of the consumer advocate on insurance  
1 37 shall:  
1 38 1. Adopt rules pursuant to chapter 17A and perform  
1 39 other duties necessary to the administration of this  
1 40 chapter.  
1 41 2. Investigate the legality of all rates, charges,  
1 42 rules, regulations, and practices of all persons under  
1 43 the jurisdiction of the insurance division including  
1 44 investigation of complaints from policyholders, and  
1 45 institute civil proceedings before the insurance  
1 46 division or any court to correct any illegality or  
1 47 violations of the terms of any insurance contract or  
1 48 policy on the part of any person. In any  
1 49 investigation, the person acting for the office of the  
1 50 consumer advocate on insurance shall have the power to  
2 1 request the commissioner of insurance to issue  
2 2 subpoenas, compel the attendance and testimony of  
2 3 witnesses, and the production of papers, books, and  
2 4 documents.  
2 5 3. Make recommendations to the general assembly  
2 6 regarding insurance regulation.  
2 7 4. Make recommendations to the insurance division  
2 8 or any other governmental agency which has an impact  
2 9 on insurance regulation in the state through  
2 10 rulemaking and review and, if the advocate deems it to  
2 11 be in the public interest, appeal the rulemaking or  
2 12 contested case decisions of the insurance division or  
2 13 any other governmental agency which has an impact on  
2 14 insurance regulation in the state.  
2 15 5. Represent the interests of the public relating  
2 16 to insurance reform, coverage, and rates where action  
2 17 is necessary for the protection of public rights.  
2 18 6. Institute judicial review of final or  
2 19 interlocutory actions of the insurance division if the  
2 20 review is deemed to be in the public interest.  
2 21 7. Act as attorney for and represent all consumers  
2 22 generally and the public generally in all proceedings  
2 23 before the insurance division, federal and state  
2 24 agencies, and related judicial review proceedings and

2 25 appeals.  
2 26 8. Appear for all consumers generally and the  
2 27 public generally in all actions instituted in any  
2 28 state or federal court which involve the validity of a  
2 29 rule, regulation, or order of the insurance division.  
2 30 9. Appear and participate as a party in the name  
2 31 of the office of consumer advocate on insurance in the  
2 32 performance of the duties of the office.  
2 33 Sec. \_\_\_\_\_. NEW SECTION. 507F.3 OFFICE ==  
2 34 EMPLOYEES == EXPENSES.  
2 35 1. The office of the consumer advocate on  
2 36 insurance shall be located within the office of the  
2 37 attorney general. Administrative support services  
2 38 shall be provided to the consumer advocate by the  
2 39 office of the attorney general.  
2 40 2. The consumer advocate on insurance may employ  
2 41 attorneys, legal assistants, secretaries, clerks, and  
2 42 other employees the consumer advocate on insurance  
2 43 finds necessary for the full and efficient discharge  
2 44 of the duties and responsibilities of the office. The  
2 45 consumer advocate on insurance may employ consultants  
2 46 as expert witnesses or technical advisors pursuant to  
2 47 contract as the advocate finds necessary for the full  
2 48 and efficient discharge of the duties of the office.  
2 49 Employees of the consumer advocate on insurance, other  
2 50 than the advocate, are subject to merit employment,  
3 1 except as provided in section 8A.412.  
3 2 3. The salary of the consumer advocate on  
3 3 insurance shall be fixed by the attorney general  
3 4 within the salary range set by the general assembly.  
3 5 The appropriation for the office of consumer advocate  
3 6 on insurance shall be a separate line item contained  
3 7 in the appropriation from the general fund of the  
3 8 state to the department of justice.  
3 9 Sec. \_\_\_\_\_. NEW SECTION. 507F.4 INSURANCE DIVISION  
3 10 RECORDS.  
3 11 The consumer advocate on insurance has free access  
3 12 to all the files, records, and documents in the office  
3 13 of the insurance division except:  
3 14 1. Personal information in confidential personnel  
3 15 records of the insurance division.  
3 16 2. Records which represent and constitute the work  
3 17 product of the general counsel of the insurance  
3 18 division where the records relate to a proceeding  
3 19 before the division in which the consumer advocate on  
3 20 insurance is a party or a proceeding in any state or  
3 21 federal court in which both the division and the  
3 22 consumer advocate on insurance are parties.  
3 23 3. Insurer information of a confidential nature  
3 24 which could jeopardize an insurer's competitive status  
3 25 and is provided by an insurer to the division.  
3 26 However, such information shall be provided to the  
3 27 consumer advocate on insurance by the insurance  
3 28 division, if the division determines it to be in the  
3 29 public interest.  
3 30 Sec. \_\_\_\_\_. NEW SECTION. 507F.5 SERVICE.  
3 31 The consumer advocate on insurance is entitled to  
3 32 receive service of all documents required by statute  
3 33 or rule to be served on parties in proceedings before  
3 34 the insurance division and all notices, petitions,  
3 35 applications, complaints, answers, motions, and other  
3 36 pleadings filed pursuant to statute or rule with the  
3 37 division.  
3 38 Sec. \_\_\_\_\_. NEW SECTION. 507F.6 CONSUMER ADVOCATE  
3 39 ON INSURANCE ADVISORY COMMITTEE.  
3 40 The attorney general shall appoint seven members to  
3 41 a consumer advocate on insurance advisory committee to  
3 42 meet at the request of the consumer advocate on  
3 43 insurance for consultation regarding the protection of  
3 44 public rights in insurance regulation. A member shall  
3 45 be appointed from each congressional district with the  
3 46 appointee residing within the district at the time of  
3 47 the appointment. The remaining appointees shall be  
3 48 members at large. Members who represent various  
3 49 sectors of the general public shall be appointed and  
3 50 appointments shall be made in compliance with sections  
4 1 69.16 and 69.16A. The members shall serve four-year  
4 2 terms and their appointments are not subject to  
4 3 confirmation by the senate. A vacancy shall be filled  
4 4 in the same manner as the original appointment for the  
4 5 unexpired portion of the member's term. Members of

4 6 the committee shall serve without compensation, but  
4 7 shall be reimbursed for actual expenses from funds  
4 8 appropriated to the office of the consumer advocate on  
4 9 insurance.

4 10 Sec. \_\_\_\_\_. NEW SECTION. 507F.7 CERTIFICATION OF  
4 11 EXPENSES TO INSURANCE DIVISION.

4 12 1. The consumer advocate on insurance shall  
4 13 determine the expenses of the office of consumer  
4 14 advocate on insurance, including a reasonable  
4 15 allocation of general office expenses, directly  
4 16 attributable to the performance of the advocate's  
4 17 duties involving specific persons subject to direct  
4 18 assessment under section 505.7, and shall certify such  
4 19 expenses to the insurance division not less than  
4 20 quarterly. The expenses certified shall be included  
4 21 in the expenses of the division funded by assessment  
4 22 under section 505.7.

4 23 2. The consumer advocate on insurance shall,  
4 24 within ninety days after the close of each fiscal  
4 25 year, determine the advocate's expenses, including a  
4 26 reasonable allocation of general office expenses  
4 27 attributable to the performance of the advocate's  
4 28 duties generally, and shall certify the expenses to  
4 29 the insurance division. The expenses certified shall  
4 30 be included in the expenses of the division funded by  
4 31 assessment under section 505.7.

4 32 3. The consumer advocate on insurance is entitled  
4 33 to notice and the opportunity to be heard in any  
4 34 insurance division proceeding on any objection to an  
4 35 assessment for expenses certified by the consumer  
4 36 advocate.

4 37 4. Expenses certified under this section shall not  
4 38 exceed the amount appropriated to the office of the  
4 39 consumer advocate on insurance. However, the office  
4 40 of consumer advocate on insurance may expend  
4 41 additional funds which exceed the funds budgeted,  
4 42 including funds to retain outside consultants, which  
4 43 are actual expenses of the office necessary for the  
4 44 performance of the consumer advocate's duties.

4 45 a. Before the office of consumer advocate on  
4 46 insurance encumbers an amount in excess of the funds  
4 47 budgeted, the director of the department of management  
4 48 shall approve the expenditure or encumbrance. Before  
4 49 approval is given, the director of the department of  
4 50 management shall determine that the expenses exceed  
5 1 the funds budgeted by the general assembly to the  
5 2 office of consumer advocate on insurance and that the  
5 3 office does not have any other funds from which such  
5 4 expenses can be paid.

5 5 b. Upon approval of the director of the department  
5 6 of management, the office of consumer advocate on  
5 7 insurance may expend and encumber funds for payment of  
5 8 such excess expenses.

5 9 c. The amounts necessary to fund payment of such  
5 10 excess expenses shall be collected from those insurers  
5 11 or persons who cause the excess expenses to be  
5 12 incurred, and collections of such amounts shall be  
5 13 treated as repayment receipts as defined in section  
5 14 8.2, subsection 8.>

5 15 #2. Title page, line 4, by striking the words <a  
5 16 consumer advocate and>.

5 17 #3. Title page, line 10, by inserting after the  
5 18 word <decisions;> the following: <creating an office  
5 19 of consumer advocate on insurance;>.

5 20 #4. By renumbering as necessary.

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5 24 FORD of Polk  
5 25 HF 2555.501 82  
5 26 av/nh/20720